

STATEMENT OF
SENATOR CHARLES E. GRASSLEY

February 8, 2000

Good morning.

I would like to welcome everyone to the first Senate hearing on the legislation that is likely to become the basis for the congressional debate on Medicare reform this year. That legislation is S. 1895, *The Medicare Preservation and Improvement Act of 1999*, sponsored by this Committee's ranking member, Senator Breaux, and by Senator Frist.

Today marks our first Committee hearing of the year, and the first congressional hearing on the only pending bipartisan bill to save Medicare.

I chose Medicare as our first hearing topic to demonstrate this Committee's priorities. Health care coverage is critically important to older Americans. Medicare covers 39 million Americans today. It will cover many more Americans tomorrow, if we make the right choices to save it.

The reasons fueling Medicare reform are well-known. One reason is financial. Medicare will go bankrupt within 15 years if we don't take action. The longer we wait, the more painful it will be to make the changes in the program that are needed.

Another reason is the need to modernize. Medicare is old-fashioned in a lot of ways. One high-profile example is that it doesn't cover prescription drugs, which are increasingly vital to our health care system.

The Breaux-Frist plan responds to both engines driving reform. I chose to begin with this legislation not because I assume it is the perfect and complete plan, but because it provides us with a good framework for a complex discussion. The questions we have to answer include:

- whether this plan would provide health coverage for beneficiaries that is as reliable as is current Medicare coverage and exposes beneficiaries to no heavier financial burden;
- whether the proposal would provide equity for rural areas. I am pleased that we have a witness from Iowa with us today, Steve Goeser, who will discuss the way the Breaux/Frist plan might affect rural areas;
- whether we can provide a prescription drug benefit that beneficiaries can afford without making Medicare's financing problems even worse than they are now;
- and whether the Breaux-Frist bill's Medicare Board can oversee a reformed Medicare system and provide the many protections for beneficiaries that we now expect from the Health Care Financing Administration.

Skeptics predict that Congress won't take on these tough questions in an election year. Beginning today, we're proving them wrong. I hope our momentum continues. I believe strongly that we shouldn't squander the opportunity to make progress and build consensus on a plan to save Medicare. Everything's in place for us to get to work. We have a plan on the table. We have bipartisan agreement on the need for reform. We have millions of older Americans who expect - and deserve - results.

I would like to thank Senators Breaux and Frist for their work on this issue, and also offer thanks to our witnesses for being with us today.